

Annapolis, Md., May 5th, 1905.

The Board of Public Works met, this day, at 11:15 a. m., in the office of the Governor at Annapolis. Present: Governor Warfield, Comptroller Atkinson and Treasurer Vandiver.

It was moved by Dr. Atkinson that the reading of the last meeting of the Board be dispensed with and there being no objections it was so ordered.

The Comptroller submitted to the Board of Public Works a statement of the unexpended balance of the Public Building Loan which showed only \$103,897.10 still unexpended, whereupon the Comptroller moved that \$666,000 of the Public Building Loan be advertised for sale as the State would soon be in need of funds for work upon the various buildings.

On motion of the Comptroller, seconded by the Treasurer, the Board proceeded to the consideration of the advertisement for proposals for \$666,000 of the Public Buildings Loan. The Comptroller, seconded by the Treasurer moved that bids for the same be opened on June 29th, at noon in the office of the Treasurer. Whereupon Comptroller Atkinson offered the following form of advertisement:

State of Maryland.

TREASURY DEPARTMENT.

Annapolis, May 1905.

"THE PUBLIC BUILDINGS LOAN."

The undersigned, Governor, Comptroller and Treasurer of the State of Maryland in pursuance of an Act of the General Assembly of Maryland of 1904, Chapter 298, will receive proposals for \$666,000 of the said Loan.

"The Public Buildings Loan" will be dated July 1st, 1904, bear interest from said date at the rate of three and one half per cent per annum, payable semi-annually on the 1st, day of July and January in each and every year, and the principle will be redeemable at the pleasure of the State after the first day of July in the year 1914, and the whole debt will be payable on the first day of July 1919. The debt is exempted from State, County and Municipal taxation and will be issued in bond form with coupons attached.

Said proposals must be delivered sealed to the Treasurer of

the State at Annapolis on or before 12 o'clock noon of the 29th, day of June 1905 and must have endorsed on the back of the envelope, "Proposals for the Public Buildings Loan". Each bid must be accompanied with a certified check for ten per cent of the amount of such bid and the same will be opened in the office of the State Treasurer in the City of Annapolis at 12 o'clock noon June 29th, 1905 in the presence of the undersigned.

On the opening of said proposals so many of said certificates of indebtedness as have been bid for, not exceeding, however, the amount for which proposals are invited, may be awarded by said Governor, Comptroller of the Treasury and Treasurer, or a majority of them to the highest respectable bidder or bidders for cash, and when two or more bidders have made the same bid, which bids are the highest, and if the bids are in excess of the whole amount of the certificates of indebtedness so offered for sale, then such certificates of indebtedness may be awarded to such highest responsible bidder bidding the same price in the proportion which the amount each has bid forbears to the whole amount of said certificates of indebtedness offered for sale.

No bid for less than par or for a fractional part of \$1,000 will be accepted.

The right is reserved to reject any and all bids.

Edwin Warfield, Governor.

Gordon T. Atkinson, Comptroller of
the Treasury.

Murray Vandiver, Treasurer.

On motion of the Treasurer, seconded by the Comptroller, the said advertisement was approved, and the Comptroller and Treasurer were instructed to have the same inserted in the daily newspapers of Baltimore City at such times as they may decide upon and in accordance with the law.

On motion of the Comptroller, seconded by the Treasurer, it was

Resolved, That the Attorney General be requested by the Comptroller to advise the Board whether it has the power to reject any any all bids for State printing under Chapter 319 of the Acts of 1904, and also the Attorney General's views as to the maximum expenditure for the additional printing under the said Act.

Treasurer Vandiver presented to the Board a letter from Mr. John M. Carter, President of the Maryland Institute for the Promotion of the Mechanics Arts; and suggested that the Attorney General be requested to give an opinion to the Board as to whether the title to this lot should be in the State or in the Maryland Institute. Whereupon on motion of the Comptroller, seconded by the Treasurer, it was resolved that the Treasurer be instructed to request such opinion from the Attorney General and that the Treasurer be also requested to communicate with Mr. Carter and say to him that as soon as the money appropriated under Chapter ----- of the Acts of 1904 is available it will be paid over.

The Treasurer read the following letter from Mr. George Blackiston, President of the Union Trust Company:

Baltimore, May, 10th, 1905.

Hon. Murray Vandiver,
Treasurer of Maryland,
Annapolis, Maryland.

Dear Sir:

I beg to enclose you a statement of the operation and receipts of the Union Trust Building on the present basis, giving you the present income, there being several offices unrented. The assessment of the property is \$556,800. The original bond issue comprising the second and third have been paid off and cancelled and 18 bonds of the first mortgage which was originally for \$300,000 have been cancelled, leaving the present mortgage on the building \$282,000. Three bonds are taken up under the sinking fund requirements and cancelled each year at 107 and interest. I have declined lately two bids for the entire issue of bonds held by us to-wit: \$130,000 at 105 and interest. The bonds are redeemable at 107 and interest. Those in our possession a portion of which we desire to deposit with you were purchased from time to time at figures ranging from 103 1/2 to 106. The mortgage on the Building is less than one half of its value on a six per cent earning basis.

I would be prepared to appear before the Board at any time. I can hardly imagine that you desire any further estimate of the value of the property. The City assessors have re-examined and reassessed the property this year as stated above at \$556,800.

Hoping that this statement will meet your requirements, I am,

Very truly yours,

Geo. Blackiston, President.

Which upon motion, was ordered spread upon the minutes, together with the accompanying statement of the operation and earnings, expenses etc., of the Union Trust Building.

Statement of Operation of Union Trust Company.

Present Income: ----- \$62,400.00

Total Cost of Operation:

Based on four months' operation of Present year

Coal ----- \$2,937.00

Wages ----- 9,169.16

Incidentals ----- 1,966.80
14,072.96

Insurance ----- 635.23
14,708.19

Taxes as per receipt last year ---- 12,885.24
27,593.43

Interest on bonds (\$282,000) @ 5% 14,100.00 41,693.43

Surplus over operating expenses at
their highest possible figure, taxes
and interest on bonds, and insurance

\$20,706.57

The Treasurer also submitted the following opinion from the
Attorney General:

Baltimore, April 10th, 1905.

Dear Sir:

I return you the letter of April 4th, from Mr. George Blackiston, President of the Union Trust Company.

Section 55M of Article 23 of the Code of Public General Laws as amended by Chapter 251 of the Acts of 1904 provides for the substitution of the deposit required to be kept by safe deposit, trust guaranty and certain other companies with the Treasurer of the State, of bonds secured by a first mortgage on real estate situated in the State of Maryland and owned by the Company required to make the deposit "whenever such bonds may be approved as security by the Board of Public Works.

Before the substitution can be made the Board of Public Works has to approve of the first mortgage bonds on the real estate of the Company, which it has proposed to substitute for their present deposit.

This approval of these first mortgage real estate bonds is a matter confided by law to the judgment of the Board of Public Works; that Board has the power to approve of the bonds if it sees fit to do so and thinks that such approval will not be injurious to the public interest.

It may not be amiss for me to suggest to you that the securities enumerated in Mr. Blackistone's letter as now being on deposit are all of them of a high grade and that it would be a prudent thing for you, as a member of the Board of Public Works before approving of the bonds of the Massachusetts Building Company, which it is proposed to substitute for them to satisfy yourself that these Massachusetts Building Company's bonds will afford as adequate a protection as is now furnished to the interests, which the State's seeks to protect by having a deposit made by a Trust Company with the State Treasurer.

Yours very truly,

William S. Bryan, Jr.,

Attorney General.

Upon motion it was resolved that Mr. Blackistone be requested to furnish the Board of Public Works with a statement of the receipts and income from the property, its fixed charges in the way of taxes and running expenses, insurance and so forth, and a certificate of its assessed valuation, together with a certificate from three expert real estate men as to the value of the property and of the securities offered.

The Treasurer next presented the following letter from Mr. S. Davies Warfield, President of the Continental Trust Company:

Baltimore, Md., May 18th, 1905.

Hon. Murray Vandiver,

State Treasurer,

Annapolis, Md.

My dear Sir:

In accordance with your letter of the 15th, inst., I beg to hand you herewith my answers to the various questions put by you, also an appraisal of the property by three well known real estate men of this City. I also enclose copy of the mortgage securing the bonds referred to.

Will you kindly let me hear from you as promptly as possible and oblige,

Yours very truly,

S. Davies Warfield.

State of Maryland,

City of Baltimore, to-wit:

I hereby certify that on this 18th, day of May in the year 1905, before me, the subscriber, a Notary Public of the State of Maryland, in and for the City of Baltimore personally appeared S. Davies Warfield and being by me fully sworn did depose and say as follows:

I am the President of the Continental Trust Company, and as such am familiar with the building erected on the lot of ground situated on the south east corner of Baltimore and Calvert Streets in the City of Baltimore and owned by the said Company. The total cost of the lot of ground above mentioned and the building erected thereon was \$1,451,748. These figures include the original cost of the building. In restoring the building after the fire improvements were made therein adding much to the actual value thereof as well as the renting value. The Building has been completely restored and in the restoration opportunity was afforded to take advantage of the experience gained to add to the value of our investment. Under these conditions and from other consideration I consider the value of this property to be \$1,600,000. The assessed valuation thereof is \$933,920.00.

The above mentioned property has been mortgaged to the Maryland Trust Company as Trustee to secure an issue of \$900,000 fifty year 4 1/2 gold bonds, and the annexed printed copy of the said mortgage is a true copy thereof.

The following figures are true statements of the receipts from rentals of said building and the disbursements for expenses and maintenance thereof and taxes and interest paid for the years 1902 and 1903 and an estimated statement for 1905 based on actual rentals up to this date, which are, however, expected to be increased as the remainder of the Building shall be rented.

Rentals 1902 -----	\$134,843.74	
Operating expenses and maintenance	\$35,157.92	
Taxes 1902 -----	18,913.98	54,071.90
		80,771.84
Interest on bonds, \$900,000 at 4 1/2		40,500.00
		40,271.84

Rentals 1903 -----		\$147,927.57
Operating expenses and maintenance	\$37,905.67	
Taxes 1903 -----	18,176.04	55,785.71
		92,241.86
Interest on bonds \$900,000 at 4 1/2		40,500.00
		51,741.86

Rentals 1905 -----		\$121,800.00
18 per cent to be leased		
Operating expenses and maintenance	\$35,000.00	
Taxes 1905 -----	21,364.43	56,364.43
		65,435.57
Interest on bonds \$900,000 at 4 1/2		40,500.00
		24,935.57

I also hereto annex certificate signed by three real estate men of standing as to the value of the property and securities.

S. Davies Warfield.

Subscribed and sworn to before me this 18th, day of May in the year nineteen hundred and five.

(Seal)

Charles L. Wiegard, Notary Public.

Baltimore, Md., May 18th, 1905.

We hereby certify that we are engaged in the real estate business in Baltimore City; that we have examined the lot of ground and improvements thereon at the southeast corner of Calvert and Baltimore Streets known as the Continental Building, and have examined the earnings of the same and from such examinations we are of the opinion that the lot and improvements thereon are conservatively worth \$1,500,000, and that the mortgage bonds secured thereon of the par value of \$900,000 are worth par.

T. W. Tongue,

A. L. Carter,

Henry C. Logemann.

Whereupon, on motion of the Comptroller, seconded by the Treasurer, it was resolved, that before action be taken additional information be secured from the Company in the way of a certificate of the assessed value, the total fixed charges on the property, the amount of taxes paid upon the real estate, the opinion of at least three expert real estate men as to the value of the property and of the securities offered, which was adopted.

The Treasurer presented the following letter from Mr. Allan

McLane, Receiver of the Maryland Trust Company.

Baltimore, May 8th, 1905.

Hon. Murray Vandiver,

Treasurer of Maryland,

Annapolis, Md.

Dear Sir:

I have your letter of May 5th, and have carefully noted its contents. As the plan for terminating the receivership of this Company is now making steady progress and should become effective at an early date. I shall advise the Executive Committee of the Trust Company to renew their application to substitute the building bonds for the City stock as soon as I am discharged and the Company is once more a going concern. This should fully meet the views of the Attorney General.

Very respectfully,

Allan McLane, Receiver.

Whereupon it was resolved, on motion of the Comptroller, seconded by the Treasurer that the Treasurer be instructed to notify the receiver of the Maryland Trust Company that this Board is powerless to act in the matter as it now stands.

The Treasurer laid before the Board a letter from Mr. Walter A. Mason, President of the Commercial and Farmers National Bank stating that the Board of Directors of the said Institution proposed to formulate a plan to increase the capital stock of said Bank and asking the opinion of the Board as the representatives of the State's interest.

Upon motion of Dr. Atkinson, seconded by the Treasurer, the Secretary of the Board was directed to notify Mr. Mason that the State had no funds available with which to purchase this proportionate increase in the Bank's stock and therefore, did not deem it necessary to express any opinion in regard to the contemplated increase.

Upon motion of the Comptroller, seconded by the Treasurer, it was resolved to pay Miss Florence Mackubin out of the contingent fund of the Board of Public Works the cost of the frame purchased by her for the picture of her grandfather, ex-State Treasurer now in the office of the Treasurer of Maryland.

On motion of the Comptroller, seconded by the Treasurer, it was resolved to pay out of the contingent fund of the Board of

the Board of Public Works the bill of the Baltimore Sun for \$85.25 for printing the report of the State Mine Inspector.

At 12:25, the Board, on motion of the Comptroller, seconded by the Treasurer, adjourned.

R. S. Hart, Acting Secretary.

